

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 119 24207

Approval Date: 04/04/2014
Expiration Date: 10/04/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 17N Rge: 3E County: PAYNE
SPOT LOCATION: SW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 405 360

Lease Name: BAKER 1 17N 3E Well No: 2WH Well will be 360 feet from nearest unit or lease boundary.

Operator Name: AMERICAN ENERGY-WOODFORD LLC Telephone: 4054188001; 4054188 OTC/OCC Number: 23358 0

AMERICAN ENERGY-WOODFORD LLC
PO BOX 18756
OKLAHOMA CITY, OK 73154-0756

BAKER LAND & CATTLE CO, LLC
12411 S MEHAN RD
PERKINS OK 74059

Formation(s) (Permit Valid for Listed Formations Only):

Name	Depth	Name	Depth
1 MISSISSIPPIAN	4086	6	
2 WOODFORD	4200	7	
3		8	
4		9	
5		10	

Spacing Orders: 611319

Location Exception Orders:

Increased Density Orders: 623520

Pending CD Numbers: 201401283

Special Orders:

Total Depth: 8767

Ground Elevation: 895

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26868
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

HORIZONTAL HOLE 1

Sec 01 Twp 17N Rge 3E County PAYNE

Spot Location of End Point: S2 SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 3253

Radius of Turn: 1387

Direction: 360

Total Length: 4127

Measured Total Depth: 8767

True Vertical Depth: 4200

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
INCREASED DENSITY - 623520	4/4/2014 - G30 - 1-17N-3E X611319 WDFD 1 WELL AMERICAN ENERGY-WOODFORD, LLC 4/3/14
PENDING CD - 201401283	4/4/2014 - G30 - 1-17N-3E X611319 MSSP, WDFD, OTHER 1ST PERF NCT 165 FSL, NCT 330 FWL LAST PERF NCT 165 FNL, NCT 330 FWL NO OP. NAMED REC 3/24/14 (MCKEOWN)
SPACING - 611319	4/4/2014 - G30 - (640 HOR) 1-17N-3E DEL 276632 MSSLM, OTHER EXT 601789 MSSP, WDFD, OTHER EST OTHER POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB (SUPERCEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)